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May 2, 2003

Ms. Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Dear Ms. Massaro:

We are filing, herewith, for effect June 1, 2003, tariff material consisting of:

RI PUC No. 15

Part/Section	Revision of Page(s)	Original of Page(s)
A/15	4, 5 and 6	N/A
M/1	57 and 58	58.1 and 58.2

In this filing, Verizon Rhode Island (Verizon RI) proposes to introduce enhancements to the Corporate Rewards Optional Calling Plan by offering two- and three-year service agreements with deeper discounts based on term and monthly usage volumes. The proposed enhancements will encourage customers to subscribe to multi-year service agreements by offering greater discounts on access lines and services.

This filing also includes some additional adjustments to the Corporate Rewards portion of the tariff including the deletion of the requirement that customers subscribe to summary billing as a condition of participation in the Corporate Rewards Plan, the display of tier discounts as per-minute rates rather than usage percentages, and the addition of measured business lines/trunks and Enhanced FlexGrow® as services eligible for access line/service discounts under the Corporate Rewards Plan.

The estimated annual revenue associated with the enhancements to Corporate Rewards is \$1,238,083 in Year One, \$1,599,628 in Year Two and \$2,336,123 in Year Three.

If you have any questions regarding this filing, please contact Frances O'Neill-Cunha of my staff at 401 525-3560.

Enclosed are an original and nine copies of the tariff material. Please return a copy of this letter and the tariff pages marked "Duplicate" with your stamp of receipt.

Respectfully submitted,

Theresa L. O'Brien

Attachments

Corporate Rewards Enhancements
VERIZON Rhode Island

May 2, 2003

Corporate Rewards Verizon Rhode Island

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SECTION 1: Service Description

Background: Verizon Rhode Island ("Verizon") introduced the Corporate Rewards Optional Calling Plan ("Plan") in February 2001. The Corporate Rewards Plan allows customers to aggregate business usage from all locations within the state to qualify for discounts. In addition, customers on the Plan qualify for loyalty discounts beginning in the second year of the plan. Customers are also eligible for savings on certain access lines and services.

Customers qualify for discounted rates based on Total Billed Qualifying Usage Revenue (TBQUR). TBQUR includes monthly revenue from qualifying usage services from all of a customer's locations within the state.

Qualifying usage in Rhode Island includes:

- Local measured usage
- Intra-LATA Toll (including Circuit Switched Data, voice and data)
- Toll-Free and Dedicated Toll-Free
- Calling Card Calls

SECTION 2: Rationale for Filing

With this filing, Verizon is introducing enhancements to the Corporate Rewards Plan as follows:

- Verizon is expanding the number of tiers displayed in the tariff from three to five. Previously, only the tiers that received volume discounts were displayed in the tariff. For consistency and to clarify the tariff, the Corporate Rewards portion of the tariff will now show tier one as the lowest tier and tier five as the highest tier. In both tiers one and five, the effective rate is the Corporate Rewards base rate with no additional discounts. Please note that this changes neither the qualifying usage thresholds nor the amounts of the discounts.
- Verizon is deleting the requirement that customers subscribe to summary billing in order to subscribe to the Corporate Rewards Plan. Previously, summary billing was necessary in order to achieve aggregation of usage across multiple locations within the state for Corporate Rewards customers. Summary billing is no longer required to perform the aggregation of usage.
- Verizon will now show the appropriate discount on a per-minute basis. In the past, a limitation of the billing system required that the discount be applied on a percentage basis. This limitation no longer exists. Therefore, the revised tariff now reflects usage rates on a per-minute basis. The per-minute rate is the current effective rate after the percentage discount is applied. There is no change in the amount of the discount and no impact on customers.

- Verizon is enhancing the Corporate Rewards Optional Calling Plan by offering two- and three-year service agreements. A customer who subscribes to a two- or three-year Corporate Rewards service agreement will receive greater discounts on eligible access lines/services. Customers will also receive greater discounts based on their monthly volume of usage. Customers must purchase their access/line services on a month-to-month basis in order to receive the two- or three-year access line/services discounts. Currently, Corporate Rewards customers in Rhode Island receive a fixed monthly discount on Centrex, PRI, BRI and Flexpath. In order to qualify for the Corporate Rewards access line/service discount customers must qualify for Corporate Rewards tiers two, three and four and not be receiving a customer specific rate on the access line/service. Once the Corporate Rewards enhancement is introduced customers will continue to receive the fixed monthly access line/service discount when they subscribe to the Corporate Rewards one-year service agreement. However, greater access line/service discounts will be available to customers who sign a two- or three-year service agreement and purchase those access lines/services on a month-to-month basis.
- Verizon is adding measured business lines/trunks and Enhanced FlexGrow® to the list of lines/services eligible for a Corporate Rewards access line/service discount.

SECTION 3: Rates and Charges

Line/Service Discount

The monthly access line/service discount is determined based on the customer's Corporate Rewards qualifying tier and the term of the customer's service agreement. The one-year Corporate Rewards service agreement discounts for lines/services will not change. The proposed line/service discounts for the multi-year service agreements are stated in the table below.

Rhode Island Access line/service discounts

	1-Year Agreement		2-Year Agreement		3-Year Agreement	
Tier	Eligible lines	Mthly disc	Eligible lines	Mthly disc	Eligible lines	Mthly disc
4	1MB/trunks	\$0.50	1MB/trunks	\$1.00	1MB/trunks	\$2.00
	PRI Port	\$48.00	PRI Port	\$363.00	PRI Port	\$381.00
			PRI Port & LDC	\$409.00	PRI Port & LDC	\$447.00
	BRI	\$2.00	B RI	\$2.00	B RI	\$2.00
	Centrex	\$2.00	Centrex	\$2.00	Centrex	\$2.00
	Flexpath Port	\$48.00	Flexpath Port	\$184.00	Flexpath Port	\$264.00
			Flexpath Port & LDC	\$230.00	Flexpath Port & LDC	\$330.00
	Enhanced FlexGrow	\$5.00	Enhanced FlexGrow	\$30.00	Enhanced FlexGrow	\$55.00
3	1MB/trunks	\$0.50	1MB/trunks	\$0.75	1MB/trunks	\$1.50
	PRI Port	\$48.00	PRI Port	\$345.00	PRI Port	\$360.00
			PRI Port & LDC	\$381.00	PRI Port & LDC	\$416.00

	BRI	\$2.00	B RI	\$2.00	B RI	\$2.00
	Centrex	\$2.00	Centrex	\$2.00	Centrex	\$2.00
	Flexpath Port	\$48.00	Flexpath Port	\$144.00	Flexpath Port	\$224.00
			Flexpath Port & LDC	\$180.00	Flexpath Port & LDC	\$280.00
	Enhanced FlexGrow	\$5.00	Enhanced FlexGrow	\$27.00	Enhanced FlexGrow	\$52.00
2	1MB/trunks	\$0.50	1MB/trunks	\$0.50	1MB/trunks	\$1.00
	PRI Port	\$48.00	PRI Port	\$298.00	PRI Port	\$316.00
			PRI Port & LDC	\$324.00	PRI Port & LDC	\$362.00
	BRI	\$2.00	B RI	\$2.00	B RI	\$2.00
	Centrex	\$2.00	Centrex	\$2.00	Centrex	\$2.00
	Flexpath Port	\$48.00	Flexpath Port	\$104.00	Flexpath Port	\$184.00
			Flexpath Port & LDC	\$130.00	Flexpath Port & LDC	\$230.00
	Enhanced FlexGrow	\$5.00	Enhanced FlexGrow	\$25.00	Enhanced FlexGrow	\$50.00

Verizon certifies that the rates for the Corporate Rewards Enhancements are not less than the Long Run Incremental Cost of providing the Corporate Rewards Enhancements.

Section 4: Revenue Forecast

The table below displays the revenue associated with the Corporate Rewards enhancement from all qualifying lines forecasted to subscribe to the Corporate Rewards Plan.

	Monthly	Year 1	Year 2	Year 3	Year 4	Year 5
CR Retail Access Line Revenue						
1MB/PBX Trunks	\$ 82,605	\$ 991,265	\$1,195,859	\$1,602,789	\$2,006,137	\$2,407,707
PRI	\$ 2,426	\$ 29,116	\$ 72,791	\$169,748	\$286,970	\$427,637
FlexGrow	\$ 363	\$ 4,354	\$ 6,967	\$12,714	\$19,611	\$27,888
Flexpath	\$ 17,779	\$ 213,348	\$ 324,012	\$550,872	\$789,075	\$1,039,189
Total Revenue	\$103,174	\$1,238,083	\$1,599,628	\$2,336,123	\$3,101,794	\$3,902,421

Supporting documentation for the revenue forecast is attached as Attachments A, B, C, and D.

Section 4: Line and Trunk Forecast and Revenue Impact

Corporate Rewards - RHODE ISLAND

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
CR Units		3,450	1,424	1,408	1,399	1,396	
Amount new units Tier 2	84%	2,898	1,196	1,183	1,175	1,173	
Amount new units Tier 3	13%	448	185	183	182	181	
Amount new units Tier 4	3%	103	43	42	42	42	
Average Revenue from units sold Tier 2	\$24.04	\$835,966	\$1,008,507	\$1,351,684	\$1,691,841	\$2,030,498	6,918,496
Average Revenue from units sold Tier 3	\$23.54	\$126,685	\$152,832	\$204,838	\$256,387	\$307,708	1,048,450
Average Revenue from units sold Tier 4	\$23.04	\$28,614	\$34,520	\$46,266	\$57,909	\$69,501	236,811
Total Revenue		\$991,265	\$1,195,859	\$1,602,789	\$2,006,137	\$2,407,707	8,203,757

Section 4: PRI Forecast and Revenue Impact

Corporate Rewards - RHODE ISLAND

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
CR units	100%	4	12	15	18	21	
Amount new units Tier 2	84%	3	10	12	15	18	
Amount new units Tier 3	13%	1	2	2	2	3	
Amount new units Tier 4	3%	0	0	0	1	1	
Average Revenue from units sold Tier 2	\$616.16	\$24,844	\$62,109	\$144,838	\$244,858	\$364,882	841,531
Average Revenue from units sold Tier 3	\$562.16	\$3,508	\$8,770	\$20,451	\$34,574	\$51,521	118,823
Average Revenue from units sold Tier 4	\$531.16	\$765	\$1,912	\$4,459	\$7,539	\$11,234	25,909
Total revenue		\$29,116	\$72,791	\$169,748	\$286,970	\$427,637	\$986,263

Section 4: FlexGrow Forecast and Revenue Impact

Corporate Rewards - RHODE ISLAND

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
CR units		3	3	4	5	6	
Amount new units Tier 2	84%	2	3	3	4	5	
Amount new units Tier 3	13%	0	0	1	1	1	
Amount new units Tier 4	3%	0	0	0	0	0	
Average Revenue from units sold Tier 2	\$130.00	\$3,669	\$5,871	\$10,714	\$16,526	\$23,500	60,279
Average Revenue from units sold Tier 3	\$128.00	\$559	\$895	\$1,633	\$2,518	\$3,581	9,185
Average Revenue from units sold Tier 4	\$125.00	\$126	\$202	\$368	\$568	\$807	2,070
New Revenue		\$4,354	\$6,967	\$12,714	\$19,611	\$27,888	\$71,535

Section 4: Flexpath Forecast and Revenue Impact

Corporate Rewards - RHODE ISLAND

		Year 1	Year 2	Year 3	Year 4	Year 5	Total
CR Units		25	26	27	29	30	
Amount new units Tier 2	83%	21	22	23	24	25	
Amount new units Tier 3	16%	4	4	4	5	5	
Amount new units Tier 4	1%	0	0	0	0	0	
Average Revenue from units sold Tier 2	\$720.16	\$179,320	\$272,333	\$463,010	\$663,221	\$873,442	2,451,326
Average Revenue from units sold Tier 3	\$670.16	\$32,168	\$48,853	\$83,058	\$118,973	\$156,684	439,737
Average Revenue from units sold Tier 4	\$620.16	\$1,860	\$2,826	\$4,804	\$6,881	\$9,062	25,433
Total Revenue		\$213,348	\$324,012	\$550,872	\$789,075	\$1,039,189	\$2,916,496

Verizon New England Inc.

15. Service Packages
15.4 Corporate Rewards

15.4.1	Description	
A.	Corporate rewards is a billing arrangement that provides business customers with an optional calling plan and various discounts consisting of the following components:	
1.	Qualifying Usage— Uniform rates that do not vary by time of day or day of week, billed on a per minute basis and timed at one second increments, apply to the following types of customer-dialed station-to-station sent paid and applicable customer-dialed station-to-station calling card calls.	(C) (C)
a.	Measured Local	(T)
b.	Toll	
c.	Toll-Free and Dedicated Toll Free	
d.	Circuit switched data	
e.	Calling card calls made via the BAAN single rate platform	
2.	Volume Discount— applies a discounted rate to qualifying, monthly usage charges aggregated from all of a customer's billing telephone numbers (BTNs) within the state that subscribe to Corporate Rewards. The volume discount rate is automatically adjusted if a customer's qualifying usage varies between usage tiers. The qualifying usage tier is determined by rating usage at the Corporate Rewards base rate. There is a maximum and a minimum qualifying usage threshold that a customer's usage must be within in order to qualify for a volume discount.	(C) (C)
3.	Loyalty Discount— applies in the 13th month, when a customer automatically renews their Corporate Rewards service agreement. For each consecutive year, up to and including the fifth year, a customer will receive an increased loyalty discount. After the fifth year, customers will continue to receive a loyalty discount capped at the fifth year discount level. Loyalty discount will apply to the customer's discounted monthly usage charges and will be applied on a BTN level. Customers that exceed the Tier 4 maximum monthly aggregated usage volume will not receive a loyalty discount.	(T) (C) (C)
4.	Access Line Discount— applies to One-Party Measured Business lines (1MBs), Trunks, Centrex Plus, ISDN Basic, ISDN PRI, Flexpath and Enhanced FlexGrow® lines. Customers will receive a fixed dollar discount on eligible access lines. Access lines included in customer specific pricing agreements are ineligible for the access line discount. However, customers with customer specific pricing agreements are eligible to subscribe to and receive the benefits of all the other Corporate Rewards components. Customers that exceed the Tier 4 maximum monthly aggregated usage volume will not receive access line discounts. Customers that do not exceed the Tier 1 maximum monthly usage volume will not receive access line discounts. For customers subscribing to a two- or three-year Corporate Rewards Service Agreement, access line discounts will apply only to those access lines rated on a month-to-month basis. Customers must convert their existing access lines to a month-to-month basis in order to be eligible for the two- or three-year access line discounts.	(C) (C)

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15. Service Packages
15.4 Corporate Rewards

15.4.1	Description	
B.		(D)(X) (D)(X)
B.	Minimum Usage Threshold — A customer must meet a minimum monthly usage threshold. The minimum monthly usage threshold is equal to 20% of the tier one minimum usage threshold that qualifies customers for a volume discount. Should a customer's actual monthly aggregate qualified usage revenue be less than the minimum usage threshold, a minimum usage fee will be applied to the customer's main billing telephone number. The minimum usage fee is equal to the difference between the minimum monthly usage threshold and the customer's actual monthly aggregate qualified usage revenue.	(T)
C.	Service Agreement — Customers are required to sign a one-, two- or three-year service agreement. At the end of the term period, the service agreement will be automatically renewed for a one-year period unless the customer notifies the Telephone Company otherwise. The rates for the one-year renewal period will be the one-year service agreement rates. Customers will be required to identify a main billing telephone number in the service agreement to which any applicable minimum usage charge or termination charge will be applied.	(T)(C) (C)
D.	<p>Termination</p> <p>1. Customers may terminate participation at any time provided the customer gives the Telephone Company a 60-day written notice. The termination will go into effect in the first full billing period following the 60-day notification period. If a customer chooses to cancel the service agreement or disconnects their main billing telephone number identified in the service agreement prior to the expiration date of the term set forth in the service agreement, a termination liability charge will apply.</p> <p>In addition, customers that sign a two- or three-year service agreement will be required to return all access line discounts received in accordance with their service agreement. Discounts that must be returned will be calculated as follows:</p> <p>Number of access lines/services X discount amount per access line/services X number of months expired under the service agreement.</p> <p>2. A customer is exempt from paying a termination liability charge under the following conditions:</p> <p>a. A customer migrates to another Telephone Company product or service, selects a new main billing telephone number; or</p> <p>b. A customer terminates participation on the expiration date of the service agreement. The Customer must provide written notice prior to the expiration date. The Telephone Company will terminate the plan in the first full billing period following the sixty day written notice or the first full billing period following the expiration date, whichever is later.</p>	(T) (C) (C) (C) (C) (C) (C)

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15. Service Packages
15.4 Corporate Rewards

15.4.2 Application of Rates and Charges	
A.	With the exception of the incremental charge for calling card calls made via the BAAN single rate platform, there is no per message charge applicable to Corporate Rewards qualifying usage. (X)
B.	Corporate Rewards is not available with the following usage
1.	Any local, toll or circuit switched data optional calling plan/customer specific pricing (CSP) plan calls
2.	Public access line (PAL) service
3.	Public access smart-pay line (PASL) service
4.	Foreign exchange service
5.	Dormitory communication service
6.	Enhanced universal emergency number service E911 (X)
7.	Directory Assistance service and National Directory Assistance service (N)

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1. Exchange and Network Services**1.15 Service Packages**

1.15.1 ValuePack				
ID	Service Category	Rate Element	Rate	USOC
	ValuePack	Monthly – Per line equipped	17.99	NLRSA

1.15.2 Local Package				
ID	Service Category	Rate Element	Rate	USOC
	Local Package	Local package standard – Monthly – Per line equipped	28.95	
		Local package – Monthly – Per line equipped	32.95	

1.15.3 Multi-Line Package Bonus Discount				
ID	Service Category	Rate Element	Rate	USOC
	Multi-Line Package Bonus Discount	Discount – Monthly – Per eligible service/package on each line	5%	

1.15.4 Corporate Rewards				
ID	Service Category	Rate Element	Rate	USOC
	Base Rate Local Usage	Local and Circuit Switched Data - Per minute	.045	(T)
	Base Rate Toll Usage	MTS, Circuit Switched Data, Toll-Free, Dedicated Toll Free and eligible Calling Card - Per minute	.045	(T)
	Volume Discount – Qualifying Usage	Tier 1 - Total qualifying monthly usage between \$0 to \$1,499	.045	(C)
		Tier 2 - Total qualifying monthly usage between \$1,500 to \$9,999	.027	
		Tier 3 - Total qualifying monthly usage between \$10,000 to \$49,999	.0248	(C)
		Tier 4 - Total qualifying monthly usage between \$50,000 to \$300,000	.0225	(N)
		Tier 5 - Total qualifying monthly usage between \$300,000 and above	.045	(N)
ID	Service Category	Rate Element	Rate	USOC
	Loyalty Discount	Year 2	2%	
		Year 3	3%	

1. Exchange and Network Services

1.15 Service Packages

1.15.4 Corporate Rewards						
ID	Service Category	Rate Element	Rate			USOC
	Loyalty Discount	Year 4	4%			
		Year 5 and beyond	5%			
ID	Service Category	Rate Element	Discounts			USOC
	Access Line/Service Discount - Tier 2	Tier 2	One Year	Two Years	Three Years	
		Centrex – Monthly – Per line	2.00	2.00	2.00	
		ISDN Basic – Monthly – Per service	2.00	2.00	2.00	
		ISDN PRI – Port – Monthly – Per service	48.00	298.00	316.00	
		ISDN PRI – Port and LDC – Monthly – Per service	48.00	324.00	362.00	
		Flexpath Port – Monthly – Per line	48.00	104.00	184.00	
		Flexpath Port and LDC – Monthly – Per line	48.00	130.00	230.00	
		Enhanced Flexgrow® – Monthly – Per trunk capacity	5.00	25.00	50.00	
		1MB – Monthly – Per line or trunk	0.50	0.50	1.00	
		Tier 3	One Year	Two Years	Three Years	
	Access Line/Service Discount – Tier 3	Centrex – Monthly – Per line	2.00	2.00	2.00	
		ISDN Basic – Monthly – Per service	2.00	2.00	2.00	
		ISDN PRI - Port– Monthly – Per service	48.00	345.00	360.00	
		ISDN PRI - Port and LDC – Monthly - Per service	48.00	381.00	416.00	
		Flexpath Port – Monthly – Per line	48.00	144.00	224.00	
		Flexpath Port and LDC – Monthly – Per line	48.00	180.00	280.00	

(N)

(N)

Verizon New England Inc.

1. Exchange and Network Services

1.15 Service Packages

1.15.4 Corporate Rewards						
ID	Service Category	Rate Element	Discounts			USOC
	Access Line/Service Discount – Tier 3	Tier 3	One Year	Two Years	Three Years	
		Enhanced Flexgrow® – Monthly – Per trunk capacity	5.00	27.00	52.00	
		1MB – Monthly – Per line or trunk	.50	.75	1.50	
	Access Line/Service Discount – Tier 4	Tier 4	One Year	Two Years	Three Years	
		Centrex – Monthly – Per line	2.00	2.00	2.00	
		ISDN Basic – Monthly – Per service	2.00	2.00	2.00	
		ISDN PRI – Port – Monthly – Per service	48.00	363.00	381.00	
		ISDN PRI - Port and LDC – Monthly – Per service	48.00	409.00	447.00	
		Flexpath Port – Monthly – Per line	48.00	184.00	264.00	
		Flexpath Port and LDC – Monthly – Per line	48.00	230.00	330.00	
		Enhanced Flexgrow® – Monthly – Per trunk capacity	5.00	30.00	55.00	
		1MB – Monthly – Per line or trunk	0.50	1.00	2.00	

(N)

(N)

Verizon New England Inc.

1. Exchange and Network Services

1.15 Service Packages

1.15.4 Corporate Rewards				
ID	Service Category	Rate Element	Rate	USOC
	Minimum Usage Threshold	Monthly – Per service agreement	300.00	(X)
	Termination Charge	Monthly – Per service agreement Note: Application of access line termination charges are provided in Part A, Section 15.8.1.D.	500.00	(C) (X) (C)

1.15.5 WorkSmart Package				
ID	Service Category	Rate Element	Rate	USOC
	Feature Packages	Discount – Per One Time Charge	50%	(X)
		Discount – Per Service and Equipment Charge – Per network access line	50%	
		Discount – Monthly Rate – 12 Month Commitment	10%	
		Discount – Monthly Rate – 24 Month Commitment	15%	
		Discount – Monthly Rate – 36 Month Commitment	20%	
		Discount – With Additional Line – 12 Month Commitment	20%	
		Discount – With Additional Line – 24 Month Commitment	25%	
		Discount – With Additional Line – 36 Month Commitment	30%	
	Termination Liability	Between 2 months and End of the commitment Period	50.00	(X)